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HAROLD LEGGETT, Ph.D.
SECRETARY

State of Louisiana
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

Certified Mail No.

Agency Interest (AI) No. 1138
Activity No. PER20050004

Mr. John V. Casey
Plant Manager
PO Box 228
Geismar, LA 70734-0228

RE: Emission Reduction Credits, Shut down of Cogen II Unit, Offsets for VCM-E Plant, Westlake Vinyls Co LP, Geismar, Ascension Parish, Louisiana

Dear Mr. Casey:

By permit application dated December 14, 2007, Westlake Vinyls Company notified the Department that a planned modification to the VCM-E plant would result in a projected increase of 99.8 tons and a net increase of 225.7 tons of NO_x. To meet the requirements of LAC 33:III.504.M.3, the 99.8 ton NO_x project increase will be offset at a 1.3 to 1.0 ratio with 54.38 tons of Ozone Season NO_x credits and 75.36 tons of non-Ozone Season NO_x credits. These Emission Reduction Credits (ERCs) were generated by the permanent shutdown of the Cogen II unit in November, 2004.

Analysis of Validity

I. LAC 33:III.607.C.1:

If the design value for the nonattainment area is above the national ambient air quality standard (NAAQS) for ozone, the department shall compare the current total point-source emissions inventory for the modeled parishes¹ to the base line inventory² [§607.C.1]. Because East Baton Rouge, West Baton Rouge, Ascension, Iberville, and Ascension Parishes remain classified as marginal ozone nonattainment areas with respect to the 8-hour ozone NAAQS, this comparison is required and is detailed as follows.

¹ *Current Total Point-Source Emissions Inventory*—the aggregate point-source emissions inventory for either NO_x or VOC from the nine modeled parishes compiled from Emission Inventory System (EIS) records and updated annually in accordance with LAC 33:III.919, plus any banked ERC and pending ERC applications originally included in the base case inventory that have not expired.

² *Base Line Inventory*—the aggregate point-source emissions inventory for either NO_x or VOC from the nine modeled parishes associated with the 2005 Attainment Plan and Transport Demonstration SIP dated December 2001, which accounts for emission reductions modeled to demonstrate attainment of the 1-hour national ambient air quality standard (NAAQS) for ozone. Separate inventories have been established for NO_x and VOC.

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	VOC	NO _x
Aggregate point-source emissions inventory from the nine modeled parishes: ³	11,181.96 TPY 30.62 TPD	40,406.13 TPY 110.63 TPD
Banked ERC and pending ERC applications originally included in the base case inventory that have not expired: ⁴	0.0 TPD	0.0 TPD
Current total point-source emissions inventory:	30.62 TPD	110.63 TPD
Base line inventory:	71.3 TPD	164.9 TPD

The current 2006 total point-source emissions inventory is 30.62 tons per day (TPD) for VOC and 110.63 TPD for NO_x, whereas the base line inventory is 71.3 TPD for VOC and 164.9 TPD for NO_x. Therefore, the current total point-source emissions inventory is *less than* the base line inventory for both VOC and NO_x. Thus, pursuant to LAC 33:III.607.C.4.a.ii, baseline emissions shall be the lower of actual emission or adjusted allowable emissions determined in accordance with LAC 33:III.607.C.3.

II. Per the requirements of LAC 33:III.607.B and C, the credits were reviewed to ensure they are surplus, permanent, quantifiable, and enforceable.

Cogen Facility, Permit 2699-V1, issued 11/2/2001

NO_x Analysis

Emission Point	ID-86-01		5/1 - 9/30	10/1 - 4/30
Operating Rate (MM BTU/hr)	470.90	Allowables Before:	137.23	190.15
Hours/day:	24	Chapter 22 Limit: ⁵	86.46	NA
Days/week:	7	Adjusted Allowables	86.46	190.15
O3 Emissions Limit (lb/MM BTU)	0.1	Actual Emissions:	134.47	186.33
Allowables Before (Tons/year)	327.38	Baseline Emissions	86.46	186.33
Actual Emissions (Tons/year) ⁶	320.08	Allowables After:	0	0
Allowables After (Tons/year)	0	Creditable Change:	86.46	186.33

³ Aggregate 2006 point-source emissions from the nine modeled parishes, derived from EIS records (LAC 33:III.919). In order to be conservative, emissions from all portable sources were attributed to the nine parishes modeled.

⁴ As of December 31, 2007, all banked ERC and pending ERC applications originally included in the base case inventory have expired. ERCs have a life span of 10 years from the date of the actual emission reduction to the atmosphere and all emissions reductions included in the inventory occurred between January 1, 1990 and December 31, 1997.

⁵ Ozone season (Chapter 22) Emission limit:

470.9 MM BTU	0.1 pound NO _x	Ton	153 days	24 hours	= 86.46 tons NO _x
hour	MM BTU	2000 pounds	Ozone Season	day	

⁶ 1999 NO_x Emissions: 343.00 TPY, 2000 NO_x Emissions: 298.7 TPY. LDEQ concurs with Westlake Vinyl's position that 1999 and 2000 are more representative of normal stationary source operations for baseline calculations. See LAC 33:III.605.



Louisiana Department of Environmental Quality

Emission Reduction Credit Certificate

Item Number: 1138PER20050004
Owner: Westlake Vinyls Co LP
Phone number: (225) 673-0647
Company Address: PO Box 228
 Geismar, LA 70734-0228

EMISSION REDUCTION INFORMATION

Physical

Location: 36045 LA Highway 30, Geismar, Ascension Parish

Method of ERC creation: Permanent shutdown of Cogen II Unit. Certificate reflects reduction of O₃ and non-O₃ NO_x credits to offset VCM-E Plant Project, Permit Number 1248-V3, Activity Number PER20070005.

Pollutant: VOC (tons)

Amount Generated	2.4	Amount Offset	0.0	Balance Remaining	2.4
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Pollutant: NO_x (tons)

Amount Generated		Amount Offset		Balance Remaining	
O ₃ ERC --	86.46	O ₃ ERC --	54.38	O ₃ ERC --	32.08
Non-O ₃ ERC --	186.33	Non-O ₃ ERC --	75.36	Non-O ₃ ERC --	110.97

Date of emission reduction: November 30, 2004

Permit Number: 2699-V1

Assistant Secretary

Date